



DEFENSE CONTRACT AUDIT AGENCY
DEPARTMENT OF DEFENSE
8725 JOHN J. KINGMAN ROAD, SUITE 2135
FORT BELVOIR, VA 22060-6219

IN REPLY REFER TO

PPD 730.5.55

November 28, 2001
01-PPD-088(R)

MEMORANDUM FOR REGIONAL DIRECTORS, DCAA
DIRECTOR, FIELD DETACHMENT, DCAA

SUBJECT: Audit Guidance on Providing Assistance to Ensure Contractors are Registered in the Central Contractor Registration Database

Summary

This memorandum provides audit guidance on verifying that contractors are registered in the Central Contractor Registration (CCR) database during the performance of pre-award audits on DoD and NASA procurements which require CCR registration, and during billing system, progress payment and interim voucher audits on contracts which require contractor registration in the CCR database.

Background

Statutory and Regulatory Requirements

Public Law 104-134, The Debt Collection Improvement Act of 1996, mandated that "...all Federal payments made after January 1, 1999, shall be made by electronic funds transfer...." In March 1998, DoD implemented the CCR database as a consolidated repository for procurement and electronic payment information. DFARS was revised in March 1998 to require prospective contractors to register in the CCR database prior to contract award. NASA has subsequently revised the NASA FAR Supplement to incorporate provisions similar to the DFARS provisions. In May 1999, the FAR was revised to provide a contract clause, at FAR 52.232-33, Payment by Electronic Funds Transfer – Central Contractor Registration, requiring the contractor to maintain accurate information in the CCR database when payment is to be made using contractor electronic funds transfer (EFT) data contained in the CCR database.

DoD and NASA Procurement Policy

DoD and NASA procurement policy requires prospective vendors, with certain exceptions, to be registered in the CCR database prior to award of a contract, basic agreement, basic ordering agreement, or blanket purchase agreement. The DoD and NASA procurement policy also requires contractors to maintain their registration in the CCR database through final payment on the contract. DFARS 204.7302 requires prospective vendors to be registered in the CCR database prior to the award of a contract, basic agreement, basic ordering agreement, or blanket purchase agreement, unless the award results from a solicitation issued on or before May 31, 1998 or one of the following exceptions noted at 204.7302 applies:

SUBJECT: Audit Guidance on Providing Assistance to Ensure Contractors are Registered in the Central Contractor Registration Database

- Purchases paid for with a Government-wide commercial purchase card;
- Awards made to foreign vendors for work performed outside the United States;
- Classified contracts or purchases (see FAR 4.401) when registration in the CCR database, or use of CCR data, could compromise the safeguarding of classified information or national security;
- Contracts awarded by deployed contracting officers in the course of military operations, including, but not limited to, contingency operations as defined in 10 U.S.C. 101(a)(13) or humanitarian or peacekeeping operations as defined in 10 U.S.C. 2307(7), or contracts awarded by contracting officers in the conduct of emergency operations, such as responses to natural disasters or national or civil emergencies; and
- Purchases to support unusual or compelling needs of the type described in FAR 6.302-2.

The DFARS and NASA FAR Supplement require that contracting officers verify that the prospective contractor is registered in the CCR database prior to award and provide guidance on contracting officer actions if the prospective contractor is not registered in the CCR database. DFARS 204.7303(b) states:

If the contracting officer determines that a prospective contractor is not registered in the CCR database and an exception to the registration requirement for the award does not apply (see 204.7302), the contracting officer must –

- (1) If the needs of the requiring activity allow for a delay, proceed to award after the contractor is registered; or
- (2) If the needs of the requiring activity do not allow for a delay, proceed to award to the next otherwise successful registered offeror, provided that written approval is obtained at one level above the contracting officer.

The NASA FAR Supplement contains similar provisions at 1804.74 for NASA contracts, basic agreements, basic ordering agreements, or blanket purchase agreements awarded after March 31, 2001.

Solicitations and contracts requiring contractor registration in the CCR database will include the clause at DFARS 252.204-7004 for DoD awards and the clause at NASA FAR Supplement 1804.7402 for NASA awards. DFARS 252.204-7004(b) states:

- (1) By submission of an offer, the offeror acknowledges the requirement that a prospective awardee must be registered in the CCR database prior to award, during performance, and through final payment of any contract resulting from this solicitation, except for awards to foreign vendors for work to be performed outside the United States...

SUBJECT: Audit Guidance on Providing Assistance to Ensure Contractors are Registered in the Central Contractor Registration Database

(3) Lack of registration in the CCR database will make an offeror ineligible for award...

The NASA FAR Supplement contains similar provisions at 1804.7402 for NASA solicitations and contracts.

FAR Contract Financing Provision

As stated above, the FAR was revised in May 1999 to provide a contract clause, at FAR 52.232-33, Payment by Electronic Funds Transfer – Central Contractor Registration, requiring the contractor to maintain accurate information in the CCR database when payment is to be made using contractor electronic funds transfer (EFT) data contained in the CCR database. FAR 32.1110(a)(1) states:

The contracting officer shall insert the clause at 52.232-33, Payment by Electronic Funds Transfer – Central Contractor Registration, in all solicitations and contracts if the payment office uses the Central Contractor Registration (CCR) database as its source of EFT information. The contracting officer shall also insert this clause if the payment office does not currently have the ability to make payment by EFT, but will use the CCR database as its source of EFT information when it begins making payments by EFT.

FAR 52.232-33 requires the contractor to maintain accurate information in the CCR database. FAR 52.232-33(b) states:

Contractor's EFT information. The Government shall make payment to the Contractor using the EFT information contained in the Central Contractor Registration (CCR) database. In the event that the EFT information changes, the Contractor shall be responsible for providing the updated information to the CCR database.

CCR Registration

Contractors may register in the CCR database online through the CCR homepage (www.ccr.gov) or via fax or mail. Detailed instructions for contractors are included in the Central Contractor Registration Handbook, located on the CCR homepage at <http://www.ccr.gov/handbook.cfm>. Contractor registrations remain valid for one year and contractors are required to validate the data in the CCR database annually to renew the registration.

To verify a contractor is registered in CCR, the FAO or FA/PLA should inquire through the CCR website as follows:

- Use Internet Explorer and navigate to the CCR web site by entering the address www.ccr.gov.

SUBJECT: Audit Guidance on Providing Assistance to Ensure Contractors are Registered in the Central Contractor Registration Database

- Once at the web site click “Search CCR” at the left portion of the screen. This will link you to the search page.
- On the search page input data to search for a contractor. You can use the DUNS Number, CAGE Code or Company Name. You can also use a partial name to get a list of companies. Click on the Submit Query button.
- A record (or list of records if you input a partial name) will appear. Click on the DUNS number to view the rest of the registration.
- The registration status and expiration date for the valid registration is listed in red at the top of the screen. The registration status will be identified as one of the following:
 - Registered/Active;
 - Pending (registration is in the process of being validated); or
 - Inactive (registration has been cancelled or expired).

Guidance

FAO Actions

(1) DoD and NASA Proposal Audits

When performing pre-award audits, FAOs should verify that contractors are registered in the CCR for DoD and NASA procurements which contain the clause at DFARS 252.204-7004 for DoD awards or the clause at NASA FAR Supplement 1804.7402 for NASA awards, and therefore require contractor registration in the CCR database. If the contractor is required to register in the CCR but is not registered, the FAO should note this in the pre-award audit report, as described in (4), below.

(2) Billing System Internal Control Audits

When performing billing system internal control reviews, FAOs should ensure that contractors who have contracts requiring registration in the CCR database (i.e., contracts which contain the clauses at FAR 52.232-33, DFARS 252.204-7004, or NASA FAR Supplement 1804.7402) have adequate controls to ensure the contractor maintains its registration in the CCR database on an annual basis.

(3) Progress Payment Audits and Annual Audits of Paid Vouchers

When performing progress payment audits and annual audits of paid vouchers on contracts which require registration in the CCR database (i.e., contracts which contain the clauses at FAR 52.232-33, DFARS 252.204-7004, or NASA FAR Supplement 1804.7402), FAOs should verify that the contractor’s CCR registration status is active/registered. If the contractor is required to register in the CCR but does not have an active registration, the FAO should note this in the audit report, as described in (4), below.

SUBJECT: Audit Guidance on Providing Assistance to Ensure Contractors are Registered in the Central Contractor Registration Database

(4) Pro-forma Report Language

In circumstances where the contractor is required by the solicitation or contract to register in the CCR database and our audit discloses the contractor has not complied with that requirement, include the following statement as additional remarks in the results of audit section of the audit report:

[Contractor name or short name] is required by the provisions of the [contract or solicitation] to [register or maintain an active registration] in the Central Contractor Registration (CCR) database. During our audit, we determined that the contractor [is not registered or does not have an active registration] in the CCR database. We notified the contractor on [date] of the requirement to [register or maintain an active registration] in the CCR database. In response, [include a summary of the contractor's reaction].

FA/PLA Actions

FAs and PLAs at buying commands should assist the commands in ensuring the contractor is registered in CCR before contract award for procurements which require contractor registration.

Closing Remarks

Field audit office personnel should refer questions regarding this memorandum to their regional offices. Regional personnel unable to answer, or with questions of their own, should contact Ms. Victoria Post, Program Manager, Policy Programs Division, at (703) 767-2270 or email at DCAA-PPD@dcaa.mil.

/SIGNED/ Robert DiMucci
(for)

Lawrence P. Uhlfelder
Assistant Director
Policy and Plans

DISTRIBUTION: C